

EXHIBIT C

Appendix C

Summary of Definitions

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Appendix C

DEFINITIONS OF CERTAIN TERMS

In addition to terms defined elsewhere in this Official Statement, unless the context otherwise requires, the following terms have the following meanings in the Agreement.

"Act" means Chapter 23A and, to the extent incorporated therein, Chapter 40D of the General Laws of The Commonwealth of Massachusetts, as amended from time to time.

"Additional Bonds" means Bonds issued pursuant to the Agreement and any Bonds authenticated and delivered in lieu of or in substitution of any such Bonds pursuant to the Agreement.

"Additional Indebtedness" means any Indebtedness incurred by the Institution subsequent to the issuance of the Series 1998 Bonds.

"Additional Payments" shall have the meaning set forth hereunder under the heading "Payments by the Institution."

"Authorized Officer" means: (i) in the case of the Agency, any person specifically authorized by a resolution of the Agency to perform the act or execute the document; and (ii) in the case of the Institution, the Chairman or other presiding officer of the Board of Trustees, the President or the chief financial officer, and when used with reference to an act or document of the Institution, also means any other person or persons authorized to perform the act or execute the document; and (iii) in the case of the Trustee, any officer in the corporate trust division of the Trustee, and when used with reference to an act or document of the Trustee, also means any other person or persons authorized to perform the act or execute the document.

"Bond Counsel" means Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. or any other attorney at law or firm of attorneys selected by the Agency of nationally recognized standing in the field of law pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions.

"Bonds" means the Series 1998 Bonds, any Additional Bonds and any Bond or Bonds duly issued in exchange or replacement therefor.

"Bondowners" means the registered owners of the Bonds from time to time as shown in the books kept by the Paying Agent as bond registrar and transfer agent.

"Bond Year" means each one year period (or shorter period from the date of issue of a series of Bonds) ending on November 1, which date has been chosen by the Agency at the direction of the Institution.

"Business Day" means a day on which banks in each of the cities in which the principal offices of the Trustee and the Paying Agent are located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

"Code" means the Internal Revenue Code of 1986, as amended, and applied to each series of Bonds from time to time.

"Construction Fund" means the fund so named established pursuant to the Agreement.

"Debt Service Fund" means the fund so named established pursuant to the Agreement.

"Debt Service Reserve Fund" means the fund so named established pursuant to the Agreement.

"Debt Service Reserve Fund Requirement" means an amount which is equal to the lesser of (1) the greatest amount required in the then current or any future calendar year to pay the sum of interest, principal and premium, if any, on the Bonds Outstanding in such year or (2) ten percent (10%) of the initial face amount of each series of Bonds Outstanding minus original issue discount, or plus premium, if any, or (3) one hundred and twenty five percent (125%) of the average annual debt service on the Bonds.

"Endowment" means the sum of (i) the amount set forth under the line-item "Investments" under the subheading "Current Assets," and under the heading "Assets," (ii) the amount set forth under the line-item "Investments" under the heading "Assets" and (iii) the amount set forth under the line-item "Beneficial interests in perpetual trusts" under the heading "Assets," all as set forth in the Institution's financial statements for the most recent complete Fiscal Year. If any of such line items are not available, other line items in the financial statements which are the successors to such line items as determined in accordance with generally accepted accounting principles shall be substituted, as appropriate.

"Event of Default" means an event so defined in the Agreement.

"Expense Fund" means the fund so named established pursuant to the Agreement.

"Fiscal Year" means the fiscal year ending June 30 or any other fiscal year designated from time to time in writing by the Institution to the Trustee.

"Government or Equivalent Obligations" means (i) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), (ii) obligations the timely payment of the principal and interest of which are fully guaranteed by the United States of America, (iii) certificates which evidence ownership of the right to the payment of the principal of and interest on obligations described in clause (i) and (ii), provided that such obligations are held in the custody of a bank or trust company satisfactory to the Trustee in a special account separate from the general assets of such custodian, and (iv) tax exempt obligations of any state or instrumentality, agency or political subdivision thereof which are fully secured by, or payments as to principal and interest on which shall be made exclusively from, obligations described in (i), (ii) or (iii) above.

"Historic Test Period" means (i) the Institution's most recent Fiscal Year, if audited financial statements for such Fiscal Year are available or (ii) if such audited financial statements are not available, the most recent twelve-month period for which unaudited financial statements are available.

"Indebtedness" means all obligations of the Institution for borrowed money, installment sale and capitalized lease obligations, incurred or assumed, including guaranties, long-term Indebtedness, short-term Indebtedness, reimbursement obligations in respect of letters of credit, or any other obligations of the Institution for payments of principal and interest with respect to money borrowed.

"Maximum Annual Debt Service" means the greatest amount required in the then current or any future Fiscal Year to pay the sum of (i) interest on Indebtedness, including the Bonds, payable during such Fiscal Year and (ii) the principal (except any principal scheduled to be redeemed prior to maturity pursuant to sinking fund installments) or the sinking fund installment, as the case may be, of the Indebtedness, including the Bonds, payable during such Fiscal Year.

"Officer's Certificate" means a certificate of an Authorized Officer of the Institution.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel in form and substance not unacceptable to the Trustee or the Agency, as the case may be, to the effect that the matter or action in question will not have an adverse impact on the tax-exempt status of the Bonds for federal income tax purposes.

"Outstanding," when used to modify Bonds, refers to Bonds issued under the Agreement, excluding: (i) Bonds which have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment or a sinking fund installment; (ii) Bonds which have been paid; (iii) Bonds which have become due and for the payment of which moneys have been duly provided; and (iv) Bonds for which there have been irrevocably set aside sufficient funds, or Government or Equivalent Obligations bearing interest at such rates, and with such maturities as will provide sufficient funds, to pay or redeem them, provided, however, that if any such Bonds are to be redeemed prior to maturity, the Agency shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with the Agreement or irrevocable instructions so to mail shall have been given to the Trustee.

"Paying Agent" means the Paying Agent designated from time to time pursuant to the Agreement.

"Person" or "Persons" means natural persons, firms, associations, partnerships, trusts, corporations, public bodies and other legal entities.

"Project" means the acquisition of land, site development, construction, renovation or alteration of buildings, or the acquisition or installation of furnishings and equipment, or any combination of the foregoing, in connection with the following:

New Project

- (i) construction of a new dormitory with approximately 67 beds on the Institution's campus between Kingsbury Avenue and South Park;
- (ii) the renovation and replacement of two existing dormitories, Tupelo East and Tupelo West, with the addition of approximately 70 beds, on the Institution's campus;
- (iii) the demolition of existing wood frame buildings which contain 70 beds on the Institution's campus adjacent to Tupelo East and Tupelo West, and the construction of a replacement dormitory with approximately 48 beds;
- (iv) the renovation of Conover Hall; and
- (v) other capital improvements with respect to other real property and buildings owned by the Institution on its campus.

Old Project

- (i) the refunding of the Series 1995 Bonds, which were issued to finance the following:
 - (a) the conversion of a dance studio on the Institution's campus to 64 dormitory rooms;
 - (b) the repayment of bank loans used for various capital improvements at or in buildings located on the Institution's campus; and
 - (c) payment of costs of issuance and credit enhancement fees in respect of the Series 1995 Bonds.

The word "Project" also refers to the facilities which result or have resulted from the foregoing activities. The scope of the Project may be increased or decreased with the written consent of the Agency upon certification by the Project Officer on behalf of the Institution describing the change, estimating the resulting increase or decrease in the cost of the Project and stating that the amendment will not cause the Project to violate any

applicable building, zoning, land use, environmental protection, historical, sanitary or safety or educational laws, rules and regulations or applicable grant, reimbursement or insurance requirements or the provisions of the Agreement. The scope of the Project may be increased only after consultation with Bond Counsel to determine that the increase will not adversely affect the federal tax status of interest on the Bonds.

"Project Costs" means the costs of issuing the Bonds and carrying out the Project, including repayment of external loans and internal advances for the same and including interest prior to, during and for up to one year after construction, but excluding general administrative expenses, overhead of the Institution and interest on internal advances.

"Project Officer" means Joseph Short or Donald Kiszka or an alternate or successor appointed by the Institution.

"Rebate Fund" means the fund so named established pursuant to the Agreement.

"Redemption Fund" means the fund so named established pursuant to the Agreement.

"Restricted Indebtedness" means indebtedness of the Institution incurred after the issuance of the Series 1998 Bonds, as security for which the Institution grants a mortgage on all or any part of its campus as described in an exhibit to the Agreement (the "Core Campus") and/or a lien on its Tuition Receipts.

"Revenues" means all rates, payments, rents, fees, charges, and other income and receipts, including proceeds of insurance, eminent domain and sale, and including proceeds derived from any security provided under the Agreement, payable to the Agency or the Trustee under the Agreement, excluding Additional Payments and other fees of the Agency or the Trustee, reimbursements to the Agency or the Trustee for expenses incurred by the Agency or the Trustee, and indemnification of the Agency and the Trustee.

"Series 1995 Bonds" means the \$5,410,000 Massachusetts Industrial Finance Agency Variable Rate Demand Revenue Bonds, (Bradford College Issue, 1995 Series A), dated November 3, 1995.

"Series 1998 Bonds" means the \$17,930,000 Massachusetts Industrial Finance Agency Revenue Bonds, Bradford College Issue, Series 1998, dated May 1, 1998.

"Temporarily Restricted Net Assets" means the amount set forth as the entry to the line item "Temporarily Restricted" under the heading "Net Assets" in the financial statements of the Institution for the most recent complete Fiscal Year, or if such line item is not available, such other line item or items in the financial statements which is or are the successor(s) to such line item as determined in accordance with generally accepted accounting principles.

"Total Operating Revenues" means the amount set forth as the entry to the line item "Total operating revenues and other support" under the heading "Revenues and gains" in the financial statements of the Institution for the most recent complete Fiscal Year, or if such line item is not available, such other line item or items in the financial statements which is or are the successor(s) to such line item as determined in accordance with generally accepted accounting principles.

"Tuition Receipts" means all of the Institution's present and future accounts and general intangibles in respect of the payment of tuition and all other rights to the payment of tuition, whether now existing or hereafter arising, from any present or future source, wherever located, including, without limitation, financial aid, and gifts, grants and bequests and earnings thereon to the extent designated or otherwise allocated to the payment of tuition that would otherwise be due, and except to the extent that the terms of any such gift, grant or bequest do not

permit such gift, grant or bequest to be lawfully used to fulfill the Institution's obligation to make payments under the Agreement.

"UCC" means the Massachusetts Uniform Commercial Code.

"Unrestricted Net Assets" means the sum of the amounts set forth as the entries to the line items "Undesignated" and "Board Designated" under the subheading "Unrestricted" and under the heading "Net Assets" in the financial statements of the Institution for the most recent complete Fiscal Year, or if such line items are not available, such other line item or items in the financial statements which is or are the successor(s) to such line items as determined in accordance with generally accepted accounting principles.

Words importing persons include firms, associations and corporations, and the singular and plural form of words shall be deemed interchangeable wherever appropriate.

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Appendix D

Summary of Loan and Trust Agreement

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Appendix D

SUMMARY OF THE AGREEMENT

The following is a brief summary, prepared by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Bond Counsel to the Agency, of certain provisions of the Loan and Trust Agreement (the "Agreement"), as it relates to the Bonds and the Project. The summary does not purport to be complete and reference is made to the Agreement for full and complete statements of such and all provisions.

Application of Bond Proceeds

Upon the receipt of the proceeds of the Series 1998 Bonds, including accrued interest thereon, the Agency shall make payments from such proceeds as follows:

- (a) A sum equal to the accrued interest, if any, on the Bonds shall be deposited in the Debt Service Fund;
- (b) A sum equal to the Debt Service Reserve Fund Requirement shall be deposited in the Debt Service Reserve Fund, to the extent such Requirement has not been otherwise satisfied;
- (c) Amounts equal to the outstanding loans and advances being refinanced with Bond proceeds, as certified by an Authorized Officer of the Institution and approved by the Agency's Bond Counsel as eligible for financing under the Agreement, shall be used to pay all or part of such loans and advances;
- (d) The amount (not exceeding two percent (2%) of the principal amount of the Bonds less original issue discount, if any), together with funds provided by the Institution, estimated to be needed to pay the costs of issuing the Bonds shall be deposited in the Expense Fund;
- (e) An amount sufficient to prepay the Series 1995 Bonds shall be deposited in the Redemption Account within the Construction Fund and applied to that purpose; and
- (f) The balance of such proceeds shall be deposited in the Construction Fund. (Section 302)

Debt Service Fund

A Debt Service Fund is established with the Trustee pursuant to the Agreement and moneys shall be deposited therein as provided in the Agreement. Accrued interest, if any, received upon the sale of Bonds shall be deposited in the Debt Service Fund. The moneys in the Debt Service Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied solely to the payment of the principal (including sinking fund installments), redemption premium, if any, and interest on the Bonds. Promptly after November 1 of each Bond Year, if the amount deposited by the Institution in the Debt Service Fund during the preceding Bond Year pursuant to the Agreement was in excess of the amount required to be so deposited, the Trustee shall transfer such excess to the Institution upon its written request unless there is then an Event of Default known to the Trustee with respect to payments to the Debt Service Fund, Debt Service Reserve Fund, Rebate Fund or to the Trustee, the Paying Agent or the Agency, in which case the excess shall be applied to such payments. (Section 303)

Debt Service Reserve Fund

A Debt Service Reserve Fund is established with the Trustee pursuant to the Agreement and moneys shall be deposited therein as provided in the Agreement. The moneys in the Debt Service Reserve Fund and any investments held as a part of such Fund shall be held in trust and, except as provided otherwise in the Agreement shall be applied by the Trustee on behalf of the Agency solely to the payment of the principal (including sinking fund installments) of and interest on the Bonds.

If on any date the amount in the Rebate Fund is less than the amount then required by the Agreement, the Trustee shall apply earnings in the Debt Service Reserve Fund to the extent necessary to meet the deficiency, except that the Trustee shall not so apply any amount necessary to pay or redeem the Bonds in full pursuant to the Agreement. If on any date the amount in the Debt Service Fund is less than the amount then required to pay the principal (including sinking fund installments) and interest then due on the Bonds, the Trustee, after making all payments to the Rebate Fund required under this heading, shall apply the amount in the Debt Service Reserve Fund to the extent necessary to meet the deficiency. The Institution shall remain liable for any required sums which it has not paid to the Rebate Fund or Debt Service Fund and any subsequent payment thereof shall be used to restore the funds so applied.

If the amount in the Debt Service Reserve Fund on May 1 or November 1 of any year (less any payment made therefrom on that day pursuant to this heading exceeds the Debt Service Reserve Fund Requirement, the Trustee shall transfer the excess to the Debt Service Fund to be credited against the next payments otherwise required to be made thereto.

If and to the extent that the amount in the Debt Service Reserve Fund on May 1 or November 1 of any year is less than the Debt Service Reserve Fund Requirement due to any transfer of funds from the Debt Service Reserve Fund to the Debt Service Fund, the Institution shall restore such deficiency on or before the next April 15 or October 15, whichever comes first, by paying to the Trustee monthly installments on the first day of each month for deposit in the Debt Service Reserve Fund in an amount equal to one-sixth (1/6) of the deficiency. If and to the extent that the amount in the Debt Service Reserve Fund on May 1 or November 1 of any year is less than one hundred percent (100%) of the Debt Service Reserve Fund Requirement due to a diminution in the market value of the Permitted Investments on deposit therein, the Institution shall restore such deficiency on or before the next April 15 or October 15, whichever comes first, by paying to the Trustee monthly installments on the first day of each month for deposit in the Debt Service Reserve Fund in an amount equal to one-sixth (1/6) of the deficiency until such deficiency is remedied.

Investments in the Debt Service Reserve Fund shall be valued by the Trustee on each May 1 or November 1 at market, plus accrued interest where applicable. Earnings to be transferred to the Construction Fund or the Debt Service Fund pursuant to the Agreement shall not be included in the valuation of the Debt Service Reserve Fund.

The Institution may satisfy all or any portion of the Debt Service Reserve Fund Requirement by the deposit in the Debt Service Reserve Fund of an insurance policy (the "Insurance Policy") or an irrevocable bank letter of credit (the "Letter of Credit"), in either case from an issuer whose long-term debt or claims paying ability is rated "AA" or better by Moody's Investors Service, Inc. or Standard & Poor's, in form and substance satisfactory to the Trustee. The Insurance Policy or the Letter of Credit shall be held in trust as a part of the Fund. The Letter of Credit shall be valued at its available balance, which for this purpose shall mean its original amount less amounts drawn down under the Letter of Credit. Five days prior to the expiration of the Insurance Policy or the Letter of Credit, or upon the earlier occurrence of a default of the type described in the Agreement or any Event of Default known to the Trustee, the Trustee shall draw on the Insurance Policy or the Letter of Credit (to the extent of the balance available thereon) to the extent necessary to ensure that moneys deposited in the Debt

Service Reserve Fund are equal to the Debt Service Reserve Fund Requirement. Whenever the Institution shall have caused to be irrevocably deposited into the Debt Service Reserve Fund moneys equal to the Debt Service Reserve Fund Requirement, the Trustee shall, at the written request of the Institution, consent in writing to the termination of the Insurance Policy or the Letter of Credit and such written consent shall be binding on the Bondowners. (Section 304)

Redemption Fund

A Redemption Fund is established with the Trustee pursuant to the Agreement and moneys shall be deposited therein as provided in the Agreement. The moneys in the Redemption Fund and any investments held as a part of such Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Trustee on behalf of the Agency solely to the redemption of Bonds. The Trustee may, and upon written direction of the Institution for specific purchases shall, apply moneys in the Redemption Fund to the purchase of Bonds for cancellation at prices not exceeding the price at which they are then redeemable (or next redeemable if they are not then redeemable), but not within the forty-five (45) days preceding a redemption date. The principal amount of Bonds so purchased shall be credited to the principal payment schedule or mandatory sinking fund schedule as provided in the Agreement. Accrued interest on the purchase of Bonds shall be paid from the Debt Service Fund.

If on any date the amount in the Debt Service Fund is less than the amount then required to pay the principal (including sinking fund installments) and interest then due on the Bonds or if on any date the amount in the Rebate Fund is less than the amount then required to be paid to the United States or the Rebate Fund as provided in this heading, in either case after any required transfer from the Debt Service Reserve Fund, and after any required transfer to the Rebate Fund from the Construction Fund pursuant to the Agreement, the Trustee shall apply the amount in the Redemption Fund (other than any sum (i) irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts or (ii) transferred to the Redemption Fund pursuant to the Agreement first, to the Rebate Fund, and second, to the Debt Service Fund to the extent necessary to meet the deficiency. The Institution shall remain liable for any sums which it has not paid into the Debt Service Fund or Rebate Fund and any subsequent payment thereof shall be used to restore the funds so applied.

If the amount in the Debt Service Reserve Fund on May 1 or November 1 of any year is less than the Debt Service Reserve Fund Requirement, the Trustee shall transfer an amount from the Redemption Fund (other than any sum irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts of which the Trustee has received written notice) to the extent necessary to meet the deficiency. The Institution shall remain liable, however, to meet the deficiency under any other provision of the Agreement and any payment for this purpose shall be used to restore the funds transferred from the Redemption Fund.

If any moneys in the Redemption Fund are invested in accordance with the Agreement and a loss results therefrom so that there are insufficient funds to pay the redemption price of Bonds called for redemption in accordance with the Agreement, then the Institution shall immediately supply the deficiency. (Section 305)

Rebate Fund

A Rebate Fund and account is established pursuant to the Agreement with the Trustee for the purpose of compliance with section 148(f) of the Code but not as security for the Bonds. The requirements of the Rebate Fund are subject to, and shall be interpreted in accordance with, section 148(f) of the Code and the Treasury regulations applicable thereto.

Expense Fund

An Expense Fund is established pursuant to the Agreement to be held by the Trustee and moneys shall be deposited therein as provided in the Agreement. The moneys in the Expense Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Trustee solely to the payment or reimbursement of the costs of issuing the Bonds. (Section 307)

Application of Moneys

If available moneys in the Debt Service Fund after any required transfers from the Debt Service Reserve Fund and the Redemption Fund are not sufficient on any day to pay all principal (including sinking fund installments), redemption price and interest on the Outstanding Bonds then due or overdue, such moneys (other than any sum in the Redemption Fund irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts) shall, after payment of all fees and expenses of the Trustee in accordance with the Agreement, be applied first to the payment of interest, including interest on overdue principal, in the order in which the same became due (pro rata with respect to interest which became due at the same time) and second to the payment of principal (including sinking fund installments) and redemption premiums, if any, without regard to the order in which the same became due (in proportion to the amounts due). For this purpose interest on overdue principal shall be treated as coming due on the first day of each month. Whenever moneys are to be applied pursuant to this paragraph, such moneys shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. (Section 308)

Payments by the Institution

Commencing July 1, 1998, the Institution shall pay to the Trustee for deposit in the Debt Service Fund on or before the first (1st) day of each month an amount equal to one-fourth (1/4) of the interest coming due on the Series 1998 Bonds on November 1, 1998. Commencing November 1, 1998, the Institution shall deliver to the Trustee for deposit in the Debt Service Fund on or before the first (1st) day of each month, an amount equal to one-sixth of the interest coming due on the Series 1998 Bonds on the next May 1 or November 1, as the case may be, and one-twelfth (1/12) of the principal (including any sinking fund installment) coming due on the Series 1998 Bonds on the next November 1.

At any time when any principal (including sinking fund installments) of the Bonds is overdue, the Institution shall also have a continuing obligation to pay to the Trustee for deposit in the Debt Service Fund an amount equal to interest on the overdue principal but the installment payments required under this heading shall not otherwise bear interest. Redemption premiums shall not bear interest.

As additional security for its obligations to make payments under the Agreement, the Institution hereby grants to the Agency a security interest in and a lien upon its Tuition Receipts and upon any rights to receive such Tuition Receipts whether in the form of proceeds of accounts receivable or contract rights or otherwise, and in any rights to receive the same. If any required payment is not made when due, any Tuition Receipts with respect to which this security interest remains perfected pursuant to law shall be transferred or paid over immediately to the Trustee without being commingled with other funds (unless already so commingled) and any Tuition Receipts thereafter received shall upon receipt be transferred to the Trustee in the form received (with necessary endorsements) to the extent necessary to cure the deficiency. The Institution represents and warrants that the lien granted under this heading is and at all times will be a first lien, subject only to (i) liens described in the Agreement, (ii) permitted by the Agreement (other than those stated therein to be subject to the lien of this heading), and (ii) non-consensual liens not yet due and payable arising by operation of law.

Payments by the Institution to the Trustee for deposit in the Debt Service Fund under this Agreement shall discharge the obligation of the Institution to the extent of such payments; provided, that if any moneys are invested in accordance with the Agreement and a loss results therefrom so that there are insufficient funds to pay principal (including sinking fund installments) and interest on the Bonds when due, the Institution shall supply the deficiency.

Additional Payments. The Institution shall make additional payments (the "Additional Payments") as follows:

(i) To the Agency, on demand, as reimbursement for any and all costs, expenses and liabilities paid or incurred by the Agency, including reasonable fees of counsel and disbursements thereof in satisfaction of any obligation of the Institution under the Agreement which are not performed in accordance with the terms hereof;

(ii) To the Agency, on demand, as reimbursement for or prepayment of any and all costs, expenses and liabilities paid or incurred or to be paid or incurred by the Agency or any of its directors, officers, employees and agents, including reasonable counsel fees and disbursements thereof, and requested by the Institution or required by the Agreement, or the Act;

(iii) To the Agency, on demand, its Issuance Fee and the reasonable fees and disbursements thereof of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. as Bond Counsel, and Krokidas & Bluestein, as co-bond counsel, in the transactions contemplated by the Agreement or any related documents; and

(iv) To the Trustee, within thirty (30) days after notice from the Trustee, the reasonable fees and expenses of the Trustee as set forth in the Agreement, including, but not limited to, reimbursement for fees and expenses of Trustee's counsel.

Unconditional Obligation

To the extent permitted by law, the obligation of the Institution to make payments to the Agency and the Trustee under the Agreement shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, shall not be subject to setoff, recoupment or counterclaim and shall be a general obligation of the Institution to which the full faith and credit of the Institution are pledged. (Section 310).

Investments

Pending their use under the Agreement, moneys in any fund or account held by the Trustee under the Agreement may be invested by the Trustee in Permitted Investments (as defined below) maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed and shall be so invested pursuant to written direction of the Institution if there is not then an Event of Default known to the Trustee. Moneys in the Debt Service Reserve Fund may be invested by the Trustee in Permitted Investments of a type customarily sold in a recognized market and described in clauses (i), (iv) or (v) of this heading, or to the extent necessary under the Code, in United States Treasury Obligations, State and Local Government Series or Permitted Investments described in clause (ii) of this heading, and shall be so invested pursuant to written direction of the Institution if there is not then an Event of Default known to the Trustee; provided that at least one-half of the amount held in such Fund shall consist of cash and obligations maturing or redeemable at the option of the holder within six (6) months and the remainder within ten (10) years. Moneys in the Expense Fund

may be invested by the Trustee in Permitted Investments maturing or redeemable at the option of the holder not later than the time when such moneys are expected to be needed. Moneys in the Construction Fund may be invested by the Trustee in Permitted Investments maturing or redeemable at the option of the holder neither later than the end of the construction period for the Project nor later than the times when such moneys are expected to be needed. Notwithstanding the foregoing, any amount of Bond proceeds deposited in the Construction Fund pursuant to the Agreement hereof which has not been expended by the earliest of the date of abandonment of the Project, the date of completion of the Project or _____, 2001 shall be invested only in Permitted Investments with a yield not more than 1/8% higher than the yield on the Bonds, or in Permitted Investments described in clause (ii) of this heading without regard to yield, provided however, that the Institution may, in the alternative, make yield reduction payments as permitted by the applicable regulations promulgated under the Code. Any investments pursuant to this Subsection shall be held by the Trustee as a part of the applicable Fund and shall be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such Fund, subject to the notice provisions of Section 9-504(3) of the Uniform Commercial Code to the extent applicable. The Trustee shall incur no liability for losses or penalties resulting from the sale or redemption of securities prior to maturity if the investment in such security and the sale or redemption are made pursuant to the Agreement. The Trustee shall be under no obligation to invest any moneys under the Agreement except pursuant to written instructions of the Institution, as described in the Agreement.

Except as set forth below, any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to the Fund with respect to which they were earned and any loss shall be charged thereto. Earnings on the Expense Fund shall be deposited in the Construction Fund. Earnings (which for this purpose include net profit and are after deduction of net loss) on the Debt Service Reserve Fund (during the construction period), on accrued interest deposited in the Debt Service Fund and on the Expense Fund shall be transferred to the Construction Fund not less often than quarterly.

(1) The term "Permitted Investments" means:

(i) Government or Equivalent Obligations;

(ii) obligations described in Code §103(a) which are not items of preference under Code §57(a)(5), or any successor thereto, rated at least AA or Aa by Standard & Poor's ("S&P") and Moody's Investors Services, Inc. ("Moody's"), respectively, or the equivalent by any other nationally recognized rating agency at the time of acquisition thereof or shares of a so-called money market or mutual fund that do not constitute "investment property" within the meaning of Code §148(b)(2), provided either that the fund has all of its assets invested in obligations of such rating quality or, if such obligations are not so rated, that the fund has comparable creditworthiness through insurance or otherwise and which fund is rated AAm or Aam-G if rated by S&P;

(iii) certificates of deposit of, banker's acceptances drawn on and accepted by, and interest-bearing deposit accounts of, a bank or trust company which has a capital and surplus of not less than \$50,000,000, provided that such certificates of deposit, banker's acceptances and interest-bearing deposit accounts are within the limits of applicable deposit insurance provided by the FDIC or are with a bank whose debt obligations or those of whose parent holding company have a rating from S&P or Moody's or any other nationally recognized rating agency at least as high as the then current rating on the Bonds, if any, or equal to or greater than the second highest rating category, if the Bonds are not then rated;

(iv) Repurchase Agreements (as defined below);

(v) investment agreements with banks, insurance companies or other financial institutions the long term, unsecured senior obligations, (or claims paying ability if applicable), of which are rated in one of the three highest rating categories by S&P; and

(vi) money market funds registered under the federal Investment Company Act of 1940 whose shares are registered under the federal Securities Act of 1933, and having a rating by S&P of AAAM-G, AAAM or Aam.

The term "Repurchase Agreement" shall mean a written agreement under which a bank or trust company which has a capital and surplus of not less than \$50,000,000, is regulated by the FDIC and, in the case of a bank, has or whose parent holding company has long term debt obligations rated A or better by S&P or a government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York or Boston and which is a member of the Securities Investor Protection Association, sells to, and agrees to repurchase from the Trustee obligations issued or guaranteed by the United States; provided that the market value of such obligations is at the time of entering into the agreement and on the first business day of each week thereafter at least one hundred and three percent (103%) of the repurchase price specified in the agreement and that such obligations are segregated from the unencumbered assets of such bank or trust company or government bond dealer; and provided further that unless the agreement is with a bank or trust company, such agreement shall require the repurchase to occur on demand or on a date certain which is not later than one (1) year after such agreement is entered into and shall expressly authorize the Trustee to liquidate the purchased obligations in the event of the insolvency of the party required to repurchase such obligations or the commencement against such party of a case under the Bankruptcy Code or the appointment of or taking possession by a trustee or custodian in a case against such party under the Bankruptcy Code. Any such investments may be purchased from or through the Trustee. Any investment agreement shall provide for the collateralization of the provider's obligations thereunder in the manner set forth above with respect to Repurchase Agreements in the event that the rating of the long term, unsecured senior obligations (or claims paying ability if applicable) of the provider falls below the levels required under clause (1)(v) above.

(2) Notwithstanding the immediately preceding paragraph Permitted Investments shall be subject to the Investment Guidelines delivered by Bond Counsel to the Institution, the Agency and the Trustee in connection with the issuance of the Bonds. In giving direction as to Permitted Investments the Institution shall comply with the provisions of the Agreement.

A security interest required by the Agreement in Permitted Investments shall be perfected in such manner as may be provided by law. In the case of a Repurchase Agreement, if under applicable law, including the Bankruptcy Code, the agreement is recognized as transferring ownership in the underlying securities to the investing party with a right to liquidate the securities and apply the proceeds against the repurchase obligation, all free and clear of the claims of creditors and transferees of the other party, the interest of the investing party shall be regarded as the equivalent of a perfected security interest for the purposes of this heading. In any case, however, if the underlying securities or the securities subject to the security interest are certificated securities (as opposed to uncertificated or book entry securities), they shall be delivered to the Trustee, or to a depository satisfactory to the Trustee, either as agent for the Trustee or as bailee with appropriate instructions and acknowledgment, at the time of or prior to the investment, or, if the security interest is perfected without delivery, delivery shall be made within three (3) Business Days. Possession by the Trustee of the security for an obligation of the Trustee shall not be deemed to satisfy the requirements of this heading unless there is an opinion of counsel satisfactory to the Agency to the effect that such possession satisfies the requirements of this heading.

The Trustee may hold undivided interests in Permitted Investments for more than one Fund (for which they are eligible) and may make interfund transfers in kind. (Section 312)

Construction Fund

Establishment. A Construction Fund is established under the Agreement to be held by the Trustee. The balance of the proceeds of the sale of the Bonds after distribution as set forth in the Agreement shall be promptly deposited in the Construction Fund. The moneys in the Construction Fund and any investments held as part of such Fund shall be held in trust and, except as otherwise provided in the Agreement, shall be applied by the Trustee solely to the payment or reimbursement of Project Costs (which shall not include costs of issuance of the Bonds). If there is an Event of Default known to the Trustee with respect to payments to the Rebate Fund, Debt Service Fund or Debt Service Reserve Fund or to the Agency or the Trustee, the Trustee may use the Construction Fund without requisition to make up the deficiency (but for transfers to the Rebate Fund or Debt Service Reserve Fund, only out of earnings), and the Institution shall restore the funds so used.

Requisitions. Disbursements from the Construction Fund shall be made by the Trustee to pay directly or to reimburse the Institution for Project Costs or to make deposits to the Rebate Fund as directed by requisitions signed on behalf of the Institution by the Project Officer substantially in the form required by the Agreement.

Certificate of Completion. Completion of the Project shall be evidenced by the filing with the Trustee and the Agency of a certificate signed by the Project Officer stating that the Project has been substantially completed so as to permit efficient use in the operations of the Institution and setting forth any Project Costs remaining to be paid from the Construction Fund. Any balance in such Fund not then needed to pay Project Costs shall be used to reimburse the Institution for its own funds spent on the Project pursuant to the Agreement other than any amounts derived from gifts, grants or bequests received or expected to be received for the purposes of the Project, and the remainder thereafter shall be transferred to the Redemption Fund.

Redemption Account. A Redemption Account is established pursuant to the Agreement within the Construction Fund to be held by the Trustee. The proceeds of the Series 1998 Bonds to be applied to the redemption of the Series 1995 Bonds shall be deposited in the Redemption Account in accordance with the Agreement. Upon receipt of written notice from the Institution, the Trustee shall transfer the amount specified in such notice from the Redemption Account to the trustee for the Series 1995 Bonds on the date and to the address specified in such notice. After such transfer, any excess moneys in the Redemption Account shall be transferred by the Trustee to the Construction Fund, and shall be used to pay Project Costs. (Section 401)

Repair and Current Expenses

The Institution agrees that it will maintain and repair the Project and keep the same in good and serviceable condition and in at least as good condition and repair (reasonable wear and tear and casualty loss excepted) as it was on the date the same was placed in service. In the event of damage to or destruction of all or any part of the Project from any casualty, unless the Institution exercises its right under the Agreement, the Institution shall repair, replace, restore or reconstruct the Project to the extent necessary to restore substantially its value and in a manner suitable for its continued use for the purpose for which it was provided; and this obligation shall not be limited by the amount of available insurance proceeds.

The Institution shall pay all costs of maintaining and operating the Project. (Section 404)

Insurance

The Institution shall maintain insurance with insurance companies authorized to transact business in the Commonwealth of Massachusetts, on such of its properties, in such amounts and against such risks as is customarily maintained by similar institutions operating in the area, and promptly file with the Agency and the Trustee upon request, from time to time, certificates of all such insurance. (Section 405)

Damage to or Destruction or Taking of the Project

Recovery of Insurance Proceeds. In the event of damage to or destruction of all or any part of the Project, the parties shall cooperate in order to recover any applicable proceeds of insurance maintained pursuant to the Agreement, with the Institution to have primary responsibility to recover the proceeds. The Net Proceeds (defined below) shall be paid to the Trustee for deposit into the Construction Fund. From such proceeds the Trustee shall first provide for the payment or reimbursement of reasonable expenses of obtaining the recovery. The Trustee shall then give notice to the Institution of such expenses and of the amount of the remaining proceeds (the "Net Proceeds").

Disbursement of Net Proceeds. Provided there is no Event of Default which has occurred and is continuing, the Trustee shall disburse the Net Proceeds or so much thereof as may be needed for the repair, replacement, restoration or reconstruction, at one time or from time to time in the discretion of the Trustee, in accordance with the requisition procedure of the Agreement and upon receipt of such evidence, if any, as the Trustee may require as to the intended application thereof and as to the availability and sufficiency of other funds that may be required to assure compliance with the Agreement. Until so paid to the Institution or transferred under the Agreement, such funds may be invested by the Trustee as provided in the Agreement.

Balance of Net Proceeds. If no repair, replacement, restoration or reconstruction is necessary, or when no further funds are needed for such purposes, the Institution shall so notify the Trustee in writing. Any remaining Net Proceeds shall be transferred to the Debt Service Reserve Fund to the extent necessary to cause the amount therein to equal the Debt Service Reserve Fund Requirement provided that such transfer will not violate the limitations of section 148(d) of the Code, and the remainder thereafter shall be deposited in the Redemption Fund.

Eminent Domain. In the event of a taking of all or any part of the Project by eminent domain, the parties shall cooperate as provided in the heading, "Recovery of Insurance Proceeds" in order to recover any applicable proceeds. Such proceeds shall be paid to the Trustee. The Trustee shall make appropriate deductions from such proceeds as in the case of insurance proceeds and give notice to the Institution of such deductions and of the amount of the Net Proceeds. The Net Proceeds shall be applied as in the heading, "Balance of Net Proceeds" unless the Institution elects to defease the Agreement or redeem Bonds pursuant to the heading, "Option to Obtain Discharge or Redeem Bonds" with that portion of the Net Proceeds allocable to the Bonds, or in the case of a partial taking, unless the Institution, within thirty (30) days after such notification, gives written notice to the Trustee of its election to repair, replace, restore, or reconstruct the remaining property. In the event of such an election to repair, replace, restore or reconstruct, the foregoing provisions as to insurance proceeds shall apply, and the Institution shall be obligated to repair, replace, restore or reconstruct the remaining property to the extent necessary to restore the operational utility lost by the taking, and this obligation shall not be limited by the amount of Net Proceeds available.

Option to Obtain Discharge or Redeem Bonds. The Institution may be relieved of its obligation to repair, replace, restore or reconstruct the Project (i) at any time, by taking all action necessary to discharge the lien of the Agreement or (ii) with respect to any one casualty or series of related casualties, whenever the Net Proceeds of insurance or condemnation awards resulting from damage to or destruction or a taking of all or a portion of the

Project exceed twenty-five percent (25%) of the then full insurable value of the Project as determined by an insurance consultant selected by the Institution and not unacceptable to the Agency by electing to use such Net Proceeds (or a portion thereof exceeding twenty-five percent (25%) of such insurable value not used or to be used for partial repair, replacement, restoration, or reconstruction) to redeem Bonds pursuant to the special redemption provisions of the Agreement. In order to so redeem Bonds, the Institution shall direct the Trustee to transfer such Net Proceeds (or such portion thereof) in the manner provided in the heading, "Balance of Net Proceeds," and shall instruct the Trustee to redeem Bonds pursuant to the Agreement from such proceeds allocable to Bonds and deposited in the Redemption Fund. In order to discharge the lien of the Agreement pursuant to clause (i) of this paragraph, the Institution may direct the Trustee to deposit into the Redemption Fund all Net Proceeds allocable to Bonds (as provided in the heading, "Balance of Net Proceeds") then held by the Trustee under this paragraph. (Section 406)

Additional Bonds

The Agency may issue Additional Bonds to complete the Project, to provide additional moneys for the Debt Service Reserve Fund, to refund Bonds previously issued under the Agreement and to pay costs of issuance of such Bonds or to finance or refinance any other project or projects of the Institution permitted under the Act. The interest payment dates and principal payment dates shall be set forth in the applicable supplemental agreement. No Additional Bonds shall be delivered unless the amount on deposit in the Debt Service Reserve Fund shall at least equal the Debt Service Reserve Fund Requirement immediately after the delivery of the Additional Bonds.

Prior to the delivery of the Additional Bonds, the Institution, the Agency and the Trustee shall enter into a supplemental agreement in accordance with the provisions of the Agreement, providing for the details of the Additional Bonds, including the application of the proceeds thereof substantially in accordance with the provisions hereof relating to the initial Bonds. The supplemental agreement shall require payments by the Institution at such times and in such manner as shall be necessary to provide for full payment of the debt service on the Additional Bonds as it becomes due. The supplemental agreement may also amend any other provision of the Agreement, provided that it will not have a material adverse effect upon the security for the Bonds other than that implicit in the authorization of parity Bonds.

No Additional Bonds shall be delivered by the Trustee (except to complete the Project or to provide additional moneys for the Debt Service Reserve Fund or to refund Bonds) unless there shall have been filed with the Agency and the Trustee a certificate of an architect acceptable to the Agency setting forth (i) the estimated cost of the project being financed or refinanced with the proceeds of the Additional Bonds, (ii) the estimated amounts which will be required from month to month for paying such cost, and (iii) the estimated date of completion of such project.

No Additional Bonds shall be delivered by the Trustee unless there shall have been filed with the Agency and the Trustee an Officer's Certificate to the effect that the financial tests set forth under the heading "Restrictions on Borrowings" have been met. (Section 501)

Default by the Institution

Events of Default; Default. "Event of Default" in the Agreement means any one of the events set forth below and "default" means any Event of Default without regard to any lapse of time or notice.

- (i) Debt Service. The Institution shall fail to make any payment required of it under the Agreement when the same becomes due and payable.

(ii) Other Obligations. The Institution shall fail to make any other required payment to the Trustee, and such failure is not remedied within seven (7) days after written notice thereof is given by the Agency or the Trustee to the Institution, the Institution shall fail to perform its obligations under the Agreement, and such failure is not remedied within thirty (30) days after written notice thereof is given by the Agency or the Trustee to the Institution, or the Institution shall fail to observe or perform any of its other agreements, covenants or obligations under the Agreement and such failure is not remedied within sixty (60) days after written notice thereof is given by the Trustee to the Institution.

(iii) Warranties. There shall be a material breach of warranty made under the Agreement by the Institution as of the date it was intended to be effective and the breach is not cured within sixty (60) days after written notice thereof is given by the Agency or the Trustee to the Institution.

(iv) Voluntary Bankruptcy. The Institution shall commence a voluntary case under the federal bankruptcy laws, or shall become insolvent or unable to pay its debts as they become due, or shall make an assignment for the benefit of creditors, or shall apply for, consent to or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property.

(v) Appointment of Receiver. A trustee, receiver, custodian or similar official or agent shall be appointed for the Institution or for any substantial part of its property and such trustee or receiver shall not be discharged within sixty (60) days.

(vi) Involuntary Bankruptcy. The Institution shall have an order or decree for relief in an involuntary case under the federal bankruptcy laws entered against it, or a petition seeking reorganization, readjustment, arrangement, composition, or other similar relief as to it under the federal bankruptcy laws or any similar law for the relief of debtors shall be brought against it and shall be consented to by it or shall remain undismissed for sixty (60) days.

(vii) Breach of Other Agreements. A breach shall occur (and continue beyond any applicable grace period) with respect to a payment by the Institution of debt service on other Indebtedness of the Institution for borrowed money with respect to loans exceeding \$200,000, or with respect to the performance of any agreement securing such other Indebtedness or pursuant to which the same was issued or incurred, or an event shall occur with respect to provisions of any such agreement relating to matters of the character referred to in this paragraph, so that a holder or holders of such Indebtedness or a trustee or trustees under any such agreement accelerates or is empowered to accelerate any such Indebtedness; but an Event of Default shall not be deemed to be in existence or to be continuing under this clause if (A) the Institution is in good faith contesting the existence of such breach or event and if such acceleration is being stayed by judicial proceedings, (B) the power of acceleration is not exercised and it ceases to be in effect, or (C) such breach or event is remedied and the acceleration, if any, is wholly annulled. The Institution shall notify the Agency and the Trustee and the Bondowners of any such breach or event immediately upon the Institution's becoming aware of its occurrence and shall from time to time furnish such information as the Agency or the Trustee may reasonably request for the purpose of determining whether a breach or event described in this clause has occurred and whether such power of acceleration has been exercised or continues to be in effect.

Waiver. If the Trustee determines that a default has been cured before the entry of any final judgment or decree with respect to such default, the Trustee may waive the default and its consequences, including any acceleration, by written notice to the Institution and shall do so upon the written instruction of the owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds. No waiver under this paragraph

shall affect the right of the Agency or the Trustee or their respective officers, directors, employees or agents to enforce the payment of any amounts owing to them. (Section 601)

Remedies for Events of Default

If an Event of Default occurs and is continuing:

Acceleration. If an Event of Default occurs and is continuing, the Trustee may, and shall upon the written instruction of the owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds, by written notice to the Institution and the Agency declare immediately due and payable the principal amount of the Outstanding Bonds and the payments to be made by the Institution therefor, and accrued interest on the foregoing, whereupon the same shall become immediately due and payable without any further action or notice.

Rights as a Secured Party. The Trustee may exercise all of the rights and remedies of a secured party under the UCC with respect to securities in all funds established under the Agreement except for the Rebate Fund, including the right to sell or redeem such securities and the right to retain securities in satisfaction of the obligations of the Institution thereunder. Notice sent by registered or certified mail, postage prepaid, or delivered during business hours, to the Institution at least seven (7) days before an event under UCC Section 9-504(3) or any successor provision of law shall constitute reasonable notification of such event.

Rights as to Tuition Receipts. The Trustee, on behalf of the Agency, may exercise all of the rights and remedies of a secured party, under the UCC or otherwise, with respect to the lien on Tuition Receipts created by the Agreement. Without limiting the generality of the foregoing, to the extent permitted by law, the Trustee, on behalf of the Agency, may realize upon such lien by any one or more of the following actions: (i) enter the Institution's property and take possession of the financial books and records of the Institution relating to the Tuition Receipts and of all checks or other orders for payment of money and cash in the possession of the Institution representing Tuition Receipts or proceeds thereof; (ii) notify account debtors obligated on any Tuition Receipts to make payment directly to the order of the Trustee, on behalf of the Agency; (iii) collect, compromise, settle, compound or extend Tuition Receipts which are in the form of accounts receivable or contract rights from the Institution's account debtors by suit or other means and give a full acquittance therefor and receipt therefor in the name of the Institution, whether or not the full amount of any such account receivable or contract right owing shall be paid to the Trustee, on behalf of the Agency; (iv) require the Institution to deposit all cash, money and checks or other orders for the payment of money which represent Tuition Receipts within five (5) Business Days after receipt of written notice of such requirement, and thereafter as received, into a fund or account to be established for such purpose by the Trustee, on behalf of the Agency, provided, however, that the requirement to make such deposits shall cease, and the balance of such fund or account shall be paid to the Institution, when all Events of Default have been cured; (v) forbid the Institution to extend, compromise, compound or settle any accounts receivable or contract rights which represent Tuition Receipts, or release, wholly or partly, any person liable for the payment thereof (except upon receipt of the full amount due) or allow any credit or discount thereon; and (vi) endorse in the name of the Institution any checks or other orders for the payment of money representing Tuition Receipts or the proceeds thereof. (Section 602)

Court Proceedings

The Trustee, on behalf of the Agency, may, and shall upon the written instruction of the owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds, enforce the obligations of the Institution under the Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained therein, whether or not any breach has become an Event of Default, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the

Institution of the provisions of the Agreement, including (to the extent this Agreement may lawfully provide) court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing the obligations of the Institution thereunder.

Subject to the Agreement, the Trustee may enforce the obligations of the Agency under the Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained in the Agreement, whether or not an Event of Default exists, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Agency of the provisions of the Agreement, including (to the extent the Agreement may lawfully provide) court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing the obligations of the Agency under the Agreement. (Section 603)

Revenues after Default

The proceeds from the exercise of the rights and remedies of the Trustee, on behalf of the Agency, under the heading, "Rights as a Secured Party" and under the heading, "Rights as to Tuition Receipts" with respect to the lien on Tuition Receipts shall be remitted to the Trustee upon receipt and in the form received. After payment or reimbursement of the reasonable costs and expenses of the Trustee and the Agency in connection therewith (including without limitation the expenses of insurance, ordinary or extraordinary repairs or alterations deemed advisable by the Trustee, and taxes or other charges which the Trustee may deem it advisable to pay, and reserves for the foregoing to the extent deemed necessary by the Trustee), the same shall be applied, first to the remaining obligations of the Institution thereunder (other than obligations to make payments to the Agency for its own use) in the order of interest first and principal second, and second, to any unpaid sums due the Agency for its own use. Any surplus thereof shall be paid to the Institution. (Section 604)

Agency or Trustee May Perform Obligations

If the Institution fails to observe or perform any covenant, condition, agreement or provision contained in the Agreement, whether or not there is an Event of Default under the Agreement, the Agency or the Trustee may perform such covenant, condition, agreement or provision in its own name or in the Institution's name, and is hereby irrevocably appointed the Institution's attorney in fact for such purpose. The Agency or the Trustee shall give at least seven (7) days' notice to the Institution before taking action under the Agreement, except that in the case of emergency as reasonably determined by the Agency or the Trustee, the Agency or the Trustee may act on lesser notice or give the notice promptly after rather than before taking the action. The reasonable cost of any such action by the Agency or the Trustee shall be paid or reimbursed by the Institution pursuant to the Agreement. (Section 605)

Remedies Cumulative

The rights and remedies under the Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any of the obligations of the Institution or of the Agency or of the Trustee or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance or of the right to exercise any remedy for the violation. (Section 606)

Limitations on Bondowners' Remedies

The Trustee shall not be required to monitor the financial condition of the Institution or the physical condition of the Project and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with it under the Agreement, except to make them available

for inspection by Bondowners. Upon a failure of the Institution to make a payment required of it under the Agreement when the same becomes due and payable the Trustee shall give written notice thereof to the Agency, the Institution and the Bondowners. The Trustee shall not be required to take notice of any other breach or default by the Institution or the Agency except when given written notice thereof by the owners of at least twenty-five percent (25%) in principal amount of the Outstanding Bonds, provided that the Trustee shall give written notice to the Agency, the Institution and the Bondowners of any breach or default of which an officer in the Trustee's corporate trust department has actual notice. The Trustee shall give default notices under the Agreement and accelerate payments under the Agreement when instructed to do so by the written direction of the owners of at least twenty-five percent (25%) in principal amount of Outstanding Bonds. The Trustee shall proceed under the Agreement for the benefit of the Bondowners in accordance with the written directions of the owners of at least twenty-five percent (25%) in principal amount of Outstanding Bonds. The Trustee shall not be required, however, to take any remedial action (other than acceleration or the giving of notice) unless reasonable indemnity is furnished for any expense or liability which may be incurred with respect thereto.

Upon receipt of written notice, direction or instruction and indemnity, as provided above, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Trustee shall promptly pursue the remedy or remedies provided by the Agreement or any of such remedies (not contrary to any such direction) as it deems appropriate for the protection of the Bondowners, and in its actions under this paragraph, the Trustee shall act for the protection of the Bondowners with the same promptness and prudence as would be expected of a prudent corporate trustee in the conduct of its trust affairs. (Section 702)

The Agency and its officers, directors, employees and agents shall not be required to take any remedial action (other than the giving of notice) unless reasonable indemnity is furnished for any expense or liability to be incurred thereby. The Agency shall not be required to take notice of any breach or default by the Institution under the Agreement except when given notice thereof by the Trustee. No recourse shall be had by the Institution, the Trustee or any Bondholder for any claim based on the Agreement or the Bonds against any director, officer, employee or agent of the Agency alleging personal liability on the part of such person unless such claim is based upon the willful dishonesty of or intentional violation of law by such person. (Section 802)

No Bondowner shall have any right to institute any legal proceedings for the enforcement of the Agreement or any applicable remedy thereunder, unless the Bondowners have directed the Trustee to act and furnished the Trustee indemnity as provided in the Agreement and have afforded the Trustee reasonable opportunity to proceed, and the Trustee shall thereafter fail or refuse to take such action.

Subject to the foregoing, any Bondowner may by any available legal proceedings enforce and protect its rights under the Agreement and under the laws of The Commonwealth of Massachusetts. (Section 902)

Tax Status

The Institution represents and warrants that (i) it is an organization described in section 501(c)(3) of the Code and it is not a "private foundation" as defined in section 509 of the Code; (ii) it has received letters from the Internal Revenue Service to that effect; (iii) such letters have not been modified, limited or revoked; (iv) it is in compliance with all terms, conditions and limitations, if any, contained in such letters; (v) the facts and circumstances which form the basis of such letters continue substantially to exist as represented to the Internal Revenue Service; and (vi) it is exempt from federal income taxes to the extent provided under section 501(a) of the Code. To the extent consistent with its status as a nonprofit educational institution, the Institution agrees that it will not take any action or omit to take any action if such action or omission would cause any revocation or adverse modification of such federal income tax status of the Institution.

The Institution covenants that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion from gross income of the interest on the Bonds under section 103 of the Code. In particular:

(i) The Institution covenants that it shall take all actions within its power so that the Bonds shall at all times constitute "qualified 501(c)(3) Bonds" as defined in such section. Without limiting the foregoing, the Institution shall not permit the \$150,000,000 nonhospital bond limitation of section 145(b) of the Code to be exceeded.

(ii) The Institution will not directly or indirectly use or permit the use of any proceeds of the Bonds or any other funds of the Agency or the Institution, or take or omit to take any action, if such use, action or omission would cause the Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code. To that end, the Institution will comply with all requirements of section 148 of the Code to the extent applicable to the Bonds.

(iii) The Institution covenants that it has not taken and will not take any action, and knows of no action taken or intended, which would cause the Bonds not to meet any of the requirements of section 147 or section 149 of the Code. (Section 1002)

Rates and Charges

The Institution agrees, subject to any limitations imposed by law, fiduciary obligations and consistent with its status as a charitable entity ("Legal Limitations"), to charge and collect rates and charges which, together with any other moneys legally available to it, shall provide moneys sufficient at all times: (a) to make the payments required by the Agreement and comply with the Agreement in all other respects, and (b) to satisfy all other obligations of the Institution in a timely fashion. Without limiting the generality of the foregoing, the Institution shall, subject to Legal Limitations, charge and collect rates and charges which in each Fiscal Year will produce revenues at least sufficient to meet expenses (excluding from revenues and expenses extraordinary items, the cumulative effect of changes in accounting principles and excluding from expenses depreciation but including interest on and amortization of long-term indebtedness). (Section 1004)

Annual Reports and Other Current Information

The Institution shall from time to time render such reports concerning the condition of the Project or compliance with the Agreement as the Agency or the Trustee may reasonably request. Within one hundred and twenty (120) days after the close of each fiscal year, the Institution shall furnish to the Trustee and the Agency, copies of its audited financial statements in sufficient quantities to the Trustee to permit the Trustee to mail a copy to each Bondowner which requests it. The Institution shall furnish to the agencies rating the Bonds such information as they may reasonably require for current reports to their subscribers. The Institution shall furnish to the Agency and to the Trustee within sixty (60) days after the close of each Fiscal Year, a certificate signed by its chief financial officer or an Authorized Officer stating that the Institution has caused its operations for the year to be reviewed and that in the course of that review, no default under the Agreement has come to its attention or, if such a default has appeared, a description of the default. (Section 1005)

Restrictions on Borrowings

The Institution agrees that it will not incur any Additional Indebtedness, including Additional Bonds, unless it provides an Officer's Certificate showing compliance with the requirements set forth below:

(i) the sum of the Maximum Annual Debt Service of all Outstanding Indebtedness and the Maximum Annual Debt Service of the proposed Additional Indebtedness does not exceed fifteen percent (15%) of the Total Operating Revenues of the Institution for the Historic Test Period; and

(ii) the sum of the Institution's Unrestricted Net Assets, Temporarily Restricted Net Assets and the amount on deposit in the Debt Service Reserve Fund will not be less than twenty-five percent (25%) of the sum of the principal amount of the outstanding Indebtedness and the principal amount of the proposed Additional Indebtedness for the Historic Test Period.

The Institution shall not incur Restricted Indebtedness except as permitted in the following subsections:

(i) The Institution may grant liens upon fixtures comprising part of the Core Campus to finance their acquisition or renovation.

(ii) The Institution may grant mortgages on then unoccupied portions of the Core Campus to finance construction of new buildings on such portions; provided that in connection with any such construction, there shall be a subdivision of land thereunder giving the minimum land area required to comply with applicable zoning bylaws and land use restrictions and also provided that such subdivision shall not affect adversely the title to or operations of any other facilities of the Institution.

(iii) The Institution may also incur Restricted Indebtedness provided that the lien that secures the Restricted Indebtedness also secures the Bonds equally and ratably. To this end, the parties hereto shall enter into a debt servicing agreement with the lender or trustee acting on behalf of the lenders of Restricted Indebtedness which may restrict the rights and duties of the parties hereto relating to, and which shall make provisions relating to, declarations of Events of Default, acceleration of indebtedness, the giving of notice, realizing upon the security for the Bonds and the Restricted Indebtedness and the application of proceeds derived from the exercise of rights and remedies to realize upon such security so that Bondowners and lenders of Restricted Indebtedness are on a parity one with the other, and may recover from such proceeds on a pro rata basis.

Notwithstanding anything in the Agreement to the contrary, any outstanding obligation of the Institution under its current line of credit with Family Mutual Savings Bank or under any successor line of credit, which obligation shall not be outstanding at any time in amount in excess of 20 percent (20%) of Total Operating Revenues, shall not be included in the calculation of Maximum Annual Debt Service. Furthermore, the Institution may enter into capitalized leases, purchase money mortgages and other non-recourse debt in an aggregate amount up to 20 percent (20%) of the Total Operating Revenues, outstanding at any time, as set forth in an Officer's Certificate. (Section 1008)

Disposition of Assets

The Institution will not sell, lease or otherwise dispose of any assets other than in the ordinary course of business during any Fiscal Year except assets that:

(a) have a value which does not exceed ten percent of the greater of (i) the aggregate book value of the Institution's total assets as of the date of disposition as set forth in an Officer's Certificate or (ii) the fair market value of the Institution's assets based on a report of a nationally recognized appraisal firm or accountant acceptable to the Trustee; or

(b) have become inadequate, obsolete, worn out, unsuitable, unprofitable, undesirable, or unnecessary and the sale, lease, removal or the disposition thereof will not impair the structural soundness, efficiency or economic value of the remaining assets if prior to the disposition thereof, the Institution shall have delivered an Officer's Certificate to the Trustee to such effect; or

(c) upon disposition thereof, the Institution shall deliver to the Trustee an Officer's Certificate certifying that the proceeds of such disposition to be received by the Institution will at least be equal to the fair market value of such property. (Section 1012)

Consolidation, Merger, Sale or Conveyance

The Institution covenants that it will not merge or consolidate with any other corporation or sell or convey substantially all of its assets to any other Person unless:

(a) either it will be the continuing corporation, or the successor corporation shall be a corporation organized and existing under the laws of the United States or a state thereof and such corporation shall expressly assume in writing the due and punctual payment of the principal of and premium, if any, and interest on all Outstanding Bonds issued under the Agreement according to their tenor, and the due and punctual performance and observance of all the covenants and conditions of the Agreement, which document shall be executed and delivered to the Trustee by such corporation;

(b) there shall have been delivered to the Trustee and the Agency an Opinion of Bond Counsel to the effect that under then existing law, the consummation of such merger, consolidation, sale, or conveyance would not adversely affect the validity of the Bonds or the exclusion for federal income tax purpose from the gross income of the Bondowners of interest paid on the Bonds and that such merger, consolidation, sale or conveyance complies with the provision of the Agreement; and

(c) the successor corporation shall have a net worth (excluding restricted fund balances) of not less than 90% of the net worth (excluding restricted fund balances) of the Institution prior to the acquisition, consolidation, merger or sale of assets; and

(d) there is delivered to the Trustee an Officer's Certificate of the successor corporation to the effect that the successor corporation may incur at least \$1 of long-term Indebtedness in accordance with the terms of the Agreement;

(e) no Event of Default under the Agreement has occurred or is continuing.

(f) the successor corporation notifies the Agency, the Trustee and the Borrowers of any change in the name of the Institution; and

(g) the successor corporation executes, delivers, registers, records and files such other instruments as the Agency or the Trustee may reasonably require to confirm, perfect or maintain the security granted under the Agreement in the Tuition Receipts. (Section 1013)

Annual Maintenance Covenant

At the end of each Fiscal Year, the Endowment shall be at least fifty percent (50%) of the total outstanding principal amount of all Indebtedness, including the Bonds, provided however, that failure to satisfy the annual maintenance covenant shall not constitute an Event of Default under the Agreement if and

so long as the Institution complies with such covenant by the end of the following Fiscal Year. (Section 1014)

Continuing Disclosure

The Institution and the Trustee hereby covenant and agree that each will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed on the date of issuance of the Series 1998 Bonds applicable to it. The Agency shall have no liability to the owners of the Bonds or any other person with respect to such disclosure matters. Notwithstanding any other provision of the Agreement, failure of the Institution or the Trustee to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default under the Agreement and the remedies for any such failure shall be governed by such Continuing Disclosure Agreement. (Section 1015)

Amendment

The Agreement may be amended by the parties without Bondowner consent for any of the following purposes: (a) to provide for the issuance of Additional Bonds under the Agreement, (b) to subject additional property to the lien of the Agreement, (c) to provide for the establishment or amendment of a book entry system of registration for any series of Bonds through a securities depository (which may or may not be DTC), (d) to add to the covenants and agreements of the Institution or to surrender or limit any right or power of the Institution, or (e) to cure any ambiguity or defect, or to add provisions which are not inconsistent with the Agreement and which do not impair the security for the Bonds.

Except as provided in the foregoing paragraph, the Agreement may be amended only with the written consent of the owners of at least two-thirds (2/3) in principal amount of the Outstanding Bonds; provided, however, that no amendment of the Agreement may be made without the unanimous written consent of the affected Bondowners for any of the following purposes: (i) to extend the maturity of any Bond, (ii) to reduce the principal amount or interest rate of any Bond, (iii) to make any Bond redeemable other than in accordance with its terms, (iv) to create a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) to reduce the percentage of the Bonds required to be represented by the Bondowners giving their consent to any amendment.

Any amendment of the Agreement shall be accompanied by an Opinion of Bond Counsel selected by the Agency to the effect that the amendment is permitted by the Agreement.

When the Trustee determines that the requisite number of consents have been obtained for an amendment which requires Bondowner consents, it shall, within ninety (90) days, file a certificate to that effect in its records and mail notice to the Bondowners. No action or proceeding to invalidate the amendment shall be instituted or maintained unless it is commenced within sixty (60) days after such mailing. The Trustee will promptly certify to the Agency that it has mailed such notice to all Bondowners and such certificate will be conclusive evidence that such notice was given in the manner required hereby. A consent to an amendment may be revoked by a notice given by the Bondowner and received by the Trustee prior to the Trustee's certification that the requisite consents have been obtained. (Section 1101)

Defeasance

When there are in the Debt Service Fund, Debt Service Reserve Fund and Redemption Fund sufficient funds, or Government or Equivalent Obligations in such principal amounts, bearing interest at such rates and with such maturities as will provide sufficient funds to pay or redeem the Bonds in full, and when all the rights under the Agreement of the Agency and the Trustee have been provided for, upon written notice from the Institution to

the Agency and the Trustee, the Bondowners shall cease to be entitled to any benefit or security under the Agreement except the right to receive payment of the funds deposited and held for payment and other rights which by their nature cannot be satisfied prior to or simultaneously with termination of the lien hereof, the security interests created by the Agreement (except in such funds and investments) shall terminate, and the Agency and the Trustee shall execute and deliver such instruments as may be necessary to discharge the lien and security interests created under the Agreement; provided, however, that if any such Bonds are to be redeemed prior to the maturity thereof, the Agency shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with the Agreement or irrevocable instructions so to mail shall have been given to the Trustee and provided further that the obligation to pay all amounts that may become due in respect of the Bonds under section 148(f) of the Code shall survive any defeasance pursuant to The Agreement. Upon such defeasance, the funds and investments required to pay or redeem the Bonds in full shall be irrevocably set aside for that purpose, subject, however, to the Agreement, and moneys held for defeasance shall be invested only as provided above in the Agreement. Any funds or property held by the Trustee and not required for payment or redemption of the Bonds in full shall, after satisfaction of all the rights of the Agency and the Trustee and after allowance for payment into the Rebate Fund, be distributed to the Institution upon such indemnification, if any, as the Agency or the Trustee may reasonably require. (Section 203)

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